PROVINCE OF SASKATCHEWAN

07-08

ANNUAL REPORT

MINISTRY OF AGRICULTURE

Saskatchewan Agriculture
Annual Report

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This annual report is also available in electronic format from the Ministry's website at **www.agriculture.gov.sk.ca.**

Letters of Transmittal

July 2008

His Honour
The Honourable Dr. Gordon L. Barnhart, S.O.M., Ph.D.
Lieutenant Governor of the Province of Saskatchewan

May it Please Your Honour:

Since the election in November 2007, this government has been building on its values of growth, security, and promises. During this time, government has been deliberating on how to strategically invest in Saskatchewan to ensure our momentum translates into long-term, sustained economic prosperity, and to make certain that the benefits of the growing economy are felt by everyone who calls Saskatchewan home.

We are committed to accountability and to ensuring that we deliver on our commitments. A significant number of commitments have already been made to Saskatchewan people in 2007-08 in the election platform, the Speech from the Throne and in the public Minister's Mandate letters. This report will provide progress on those commitments as they relate to this Ministry as of March 31, 2008. We look forward to furthering our commitment to improved accountability as 2008-09 progresses.

This report covers a period of transition to the new government's strategic direction. Government is reviewing its processes and more changes to plans and reports will take place over the coming months. However, for purposes of maintaining consistency, the following also reports on key actions and measurements outlined in last year's performance plan.

As Minister of Agriculture, it is my pleasure to submit the annual report for the 12 months ending March 31, 2008.

Respectfully submitted,

Bob Bjornerud

The Honourable Bob Bjornerud
Minister of Agriculture

Letters of Transmittal

July 2008

The Honourable Bob Bjornerud
Minister of Agriculture

Sir:

I wish to present to you the annual report of Saskatchewan Agriculture for the 12 months ending March 31, 2008.

Respectfully submitted,

Alanna Koch
Deputy Minister of Agriculture

Introduction

Since the election of a new government in November 2007, there is a new focus and direction for both Saskatchewan and the Ministry of Agriculture. This report is being prepared at a time of transition to a new government's agenda and will provide reporting on progress on key public commitments made during 2007-08 with a greater focus on progress made by the new government since November 2007.

For the purposes of this report, progress will be reported on key commitments aligned with the Ministry's organizational structure as of March 31, 2008. This will include key actions and performance measures that were published in 2007-08, but will also include the new government's commitments since November, including the Minister's Mandate letter, Throne Speech and other key public commitments. Progress will be reported as of March 31, 2008, on all of these actions and commitments.

The format and content enhancements to this year's annual report are consistent with the Government's Accountability Framework, its system of planning, measuring and reporting. The 2007-08 Annual Report provides information about, and analysis of, the performance results obtained, including comparisons to historical trends and assessments of how they contribute to the longer-term outcomes the Ministry seeks to achieve. This reporting of actual year-end results, both financial and performance, increases the Ministry's accountability to the public.

The Minister's Mandate was released on November 21, 2007. It may be found at: www.gov.sk.ca/cabinet/bjornerud/.

The 2007 Speech from the Throne was delivered on December 10, 2007 and may be found at: www.gov.sk.ca/executive-council/throne-speech/.

The government-wide *Budget Summary 2008-2009: Ready for Growth* is available at: www.finance.gov.sk.ca/budget/2008-09/.

The Ministry's 2007-08 Performance Plan may be found at: www.agriculture.gov.sk.ca/ministry-overview.

Ministry Overview

The Ministry fosters a commercially viable, self-sufficient and sustainable agriculture and food sector. The Ministry encourages farmers, ranchers and communities to develop higher value-added production and processing and promotes sustainable economic development in rural Saskatchewan through better risk management.

To deliver on its mandate, the Ministry provides programs, technical support and specialist services.

The Ministry administers approximately 7.2 million acres of Crown land that is leased to farmers and ranchers or operated as community pastures. The Ministry collected $29.5 million in revenue from Crown land, not including revenues received under the Pastures Program Revolving Fund. This total includes rent on cultivation, hay and grazing leases, net proceeds of Crown land sales, petroleum and gas leases, and other land revenues and administration fees.

Investment in research and development is an essential activity to ensure long-term viability and growth of our agricultural production and processing industries. The Ministry provides significant third-party funding to various faculties and centres at the University of Saskatchewan, and to research institutions associated with the university. These institutions play an essential role in delivering on the Ministry's mandate.

The Ministry funds ongoing risk management programs to assist producers in offsetting risks in crop production, stabilizing income and dealing with economic disasters. Production insurance is provided through the Saskatchewan Crop Insurance Corporation (SCIC). Income stabilization and AgriRecovery is provided through the new AgriStability and AgriInvest Programs, which have replaced the Canadian Agricultural Income Stabilization (CAIS) Program. Disaster Assistance will be covered under AgriRecovery. These programs are jointly funded by the federal and provincial governments and delivered in Saskatchewan by the Government of Canada. Although program guidelines are subject to federal/provincial/territorial agreement, the federal administration determines specific program delivery parameters and administrative processes.

Saskatchewan signed a Continuity Agreement with the federal government to extend the Agriculture Policy Framework (APF) programming for up to one more year. This will allow the resolution of outstanding issues related to Growing Forward, which will soon replace the APF. The Growing Forward agreement establishes funding commitments centered around three themes: a competitive and innovative sector, a sector that contributes to society's priorities (including food safety, environmental sustainability and health and wellness), and a sector that is proactive in managing risks. The Continuity Agreement took effect on April 1, 2008, when the APF was scheduled to end, and will continue no later than March 31, 2009. At that point, the Growing Forward framework is to be in place.

A diverse, well-informed and highly-skilled workforce is vital to achieving the Ministry's mandate. A number of programs and policies have been implemented, recognizing the Ministry's need to recruit and retain skilled individuals. This objective is pursued in conjunction with the goals established in the Ministry's Workforce Plan.

The Ministry provides timely, relevant and valuable information to producers and other stakeholders. The Ministry redesigned its website in 2007-08 to provide the information

producers require to implement their business plans and achieve their objectives. Information is also disseminated through numerous publications and fact sheets, television and radio programs, interviews, and newspaper articles. Key publications include: *Agriview*, a monthly newsletter delivered directly to farm and rural households throughout the province; *Crop Report*, a weekly summary of Saskatchewan crop conditions and precipitation during April-November; and *StatFacts*, a periodic statistical bulletin on a variety of topics including crops, livestock and farm finance. Historical agricultural statistics for the province are also available under the Statistics site category on the Ministry's website home page.

The Ministry also has a presence at major trade shows and local events throughout the province. Additionally, the Minister, Deputy Minister, and Ministry officials and staff undertake numerous speaking engagements and presentations at industry events. These activities foster mutual awareness of issues and concerns and help ensure the policies, programs, and services of the Ministry are highlighted and understood.

There were two notable government wide changes in 2007-08. First, the Human Resources function was moved under the administration of the Public Service Commission, effective October 1, 2007. Second, in January 2008, the Farmland Security Board was transferred from the Ministry of Justice to the Ministry of Agriculture.

Progress in 2007-08

The following section reports both on a new government direction since November 2007, as well as on Ministry progress achieved during the fiscal year on key program areas, identified by budget sub-vote categories.

In addition to a report on key program areas, the sub-vote categories include results achieved on the key actions originally presented in the Ministry's 2007-08 Performance Plan. This section includes the most recent data available for each performance measure that was published in the 2007-08 Plan.

a) A New Government Direction – Growth, Security and Promises:

Since the election of the new government in November 2007, significant progress has been made in respect to the new strategic priorities of growth, security, and promises. These priorities, as they specifically relate to the Ministry of Agriculture, are identified in the Minister's Mandate letter, the December Speech from the Throne, and other key government commitments publicly made during the latter part of fiscal 2007-08. They are reported on in the following:

- **Minister's Mandate Letter, November 2007**

1) Ensure our government meets its commitment to fully fund the provincial government's share of the Canadian Agricultural Income Stabilization Program (CAIS) and new federal-provincial programs to replace CAIS, while pressing the federal government to increase its share of funding for farm income stabilization and disaster relief programs.

- Full funding has been provided to meet the provincial 40 per cent cost-share of the 2007 AgriStability program (the successor to CAIS). In addition, the March 19, 2008, provincial budget provided full funding for the 2008 program year.

- Provincial concerns over the financial burden the 60:40 federal-provincial cost sharing requirement places on Saskatchewan have been expressed to the federal government. In negotiations on Growing Forward, which will replace the Agricultural Policy Framework, the provincial government was successful in obtaining a commitment on more flexible cost sharing for the AgriRecovery Program. Under this new initiative, small natural disasters are to be cost-shared on a 60:40 basis. Cost sharing of large natural disasters will be determined on a case by case basis.

2) Conduct an immediate review of the crop insurance program to determine how to increase coverage and reduce premiums for producers.

- Preparations to launch a review of the crop insurance program were essentially complete at the end of fiscal 2007-08. This review was launched on April 9, 2008, and is being conducted by Meyers Norris Penny. It is to be completed in the fall of 2008 and the review's recommendations will be considered for the 2009 program.

3) Explore the development of partnerships with other western provinces to improve crop insurance protection for Saskatchewan's agricultural producers.

- Significant action on this initiative has not yet occurred as the Crop Insurance Review has been the Ministry's focus at this time.

December 2007 Speech from the Throne

The first priority identified in the Mandate letter was reiterated in the 2007 Speech from the Throne. Several other major initiatives which apply to the Ministry of Agriculture also were identified at that time. These additional initiatives and results to be reported are as follows:

1) Listen to producer groups and, in co-operation with the federal government, find ways to work through a difficult transitional period.

- Discussions with producer groups, particularly in respect to the difficulties faced by the provincial livestock sector were a major focus of the Ministry of Agriculture once the new government took office. As a result of these discussions, the Saskatchewan Short-term Hog Loan Program and the Saskatchewan Short-term Cattle Loan Program were announced in December 2007. It is estimated that under these programs up to $90 million in funding would be made available to hog and cattle producers who are struggling financially during this current price downturn. More information on these programs can be found on pages 26.

- Producers within breeder associations that had accessed breeder loans under the Livestock Loan Guarantee (LLG) Program were provided the opportunity to have their principal payments extended for one year.

- Discussions were held with the federal government which led to the implementation of the Targeted Advance Payment (TAP) Program for Saskatchewan hog producers. As a result, Saskatchewan hog producers were eligible to receive timely payments under the 2007 AgriStability Program to help ease economic conditions currently affecting the industry.

- After negotiations with the federal government, the government of Saskatchewan announced TAP would once again be available to hog producers in 2008 under the AgriStability program.

Other Key Government Commitments

- A substantial increase in the value of insurance coverage was made available to producers under the 2008 Saskatchewan Crop Insurance Corporation Program. The dollar value of insurance coverage was increased from a provincial average of $86 per acre in 2007, to $128 per acre in 2008. As a result, the Saskatchewan Government committed an additional $25 million to cover the Province's share of premium costs.

b) Progress by Budget Sub-vote Categories, identified by Key Program Areas:

The Ministry of Agriculture receives budgetary appropriations in respect to 10 sub-votes. A general description of the activity funded by these sub-votes follows in alphabetical order. Each commentary includes key program activity, key actions and performance measures where applicable.

1) Central Management and Services

Expenditures on Central Management and Services ensures the Ministry receives executive direction, and is provided with services in the areas of finance and other operational services including accommodations, which are required for the delivery of the Ministry's mandate.

The Corporate Services Branch is the only branch of the Ministry included in this sub-vote. The main services provided by this branch are financial services and reporting; legislation and regulation co-ordination; and information technology services. During the first six months of fiscal 2007-08, the branch also provided Human Resource Services, but these activities were transferred to the Public Service Commission, effective October 1, 2007.

Progress on key initiatives:

- During 2007-08 a number of changes were made to regulations for several pieces of legislation that are administered by the Ministry of Agriculture. Many of these changes were made as part of an on-going effort to provide an effective regulatory environment for sector development and performance. For example, *the Provincial Lands Amendment Regulations, 2007 (No. 2)*, was amended to streamline and clarify a number of administrative processes, repeal redundant or obsolete sections and increase flexibility regarding the tender sale of Crown land.

A full listing of Saskatchewan Legislation administered by the Ministry is contained in Appendix D. A full listing of the regulatory amendments that occurred during 2007-08 is contained in Appendix G.

2) Policy and Planning

This sub-vote ensures direction and leadership is provided in the analysis, development, design and communication of agricultural policies and programs. This includes issues related to marketing, trade, business risk management, and land and environmental policy. It also supports strategic planning, implementation, and program delivery, through agricultural statistics, information management and technology. The two branches included in this category are the Communications Branch and the Policy Branch.

In 2007-08, the Ministry re-designed its website. The goal is to provide producers with a more user-friendly website that is easier to navigate. The website has been divided into key areas, which include the Ministry's seven lines of business, and the crops and livestock sectors.

Progress on key initiatives:

- During the year, significant resources were devoted to trade policy issues. As fiscal year 2007-08 drew to a close, expectations were mounting that a successful outcome to World Trade Organization negotiations on rules affecting trade in agricultural products could be achieved in 2008. During these discussions, which are led on Canada's behalf by the federal government, the Ministry continued to pursue its objectives of improving the rules that govern international trade and apply to domestic and international market access.

  The Ministry also continued its participation in national discussions on improvements to the Agreement on Internal Trade. By fiscal year end, significant progress had been made on revisions to this national agreement, which is expected to increase the trade in agricultural commodities

across provincial borders. The Ministry also participated in nationally-led efforts to respond to the trade protectionist actions of other countries and of international competitors. During the year, a major focus was the proposed country of origin labeling regulations that would apply to livestock products in the United States, and efforts to mitigate their negative impact on Canadian live animal and processed exports.

- Further development of national business risk management programming was also a priority of the Ministry. In December 2007, an agreement was reached with the federal government and other provinces to replace the Canadian Agricultural Income Stabilization Program with the new AgriStability and AgriInvest Programs. Significant progress was also made in the development of a new agriculture disaster assistance framework, called AgriRecovery.

  In the latter part of the fiscal year, the Ministry initiated a formal examination of the implications of and the steps necessary in assuming the administration of the AgriStability Program from the federal government. This work continues into the new fiscal year. The Ministry also continued to monitor the need for provincial programming to address unique risk situations that Saskatchewan producers may experience. No new programming was developed during the year. Further needs in this area are expected to be addressed under the AgriRecovery framework.

- At the beginning of 2007-08, expectations were that the national Agricultural Policy Framework, implemented in 2003, would conclude on schedule and be replaced by the Growing Forward Policy Framework effective April 1, 2008. Although negotiations on new business risk management programs were concluded and approvals were obtained in time for the new programs to take effect for the 2007 program year, discussions on the non-business risk management component of the framework were ongoing at fiscal year end.

  Recognizing the need for additional time to appropriately complete these negotiations, Saskatchewan signed a Continuity Agreement with the federal government to extend APF programming for up to one more year. This approach was fully consistent with the Ministry's objective of encouraging the development of agricultural policy that better meets the needs of society, the agricultural sector and industries and farm families.

- The management and support of the Agri-Food Council, through administration of *The Agri-Food Act, 2004*, also occurs under this sub-vote. The Agri-Food Appeal Committee, several marketing boards and all development boards and development commissions are established under and regulated by this Act.

- Environmental farm planning (EFP) workshops continued to be delivered by the Provincial Council of Agricultural Development and Diversification Boards (PCAB). Since EFP was initiated in early 2005, 13,503 farm units have participated in the initial EFP Workshop 1, and 10,162 producers have also attended EFP Workshop 2.

  Since 2004-05, a total of 2,068 EFP workshops have been held in the province. The original EFP program goal was to have 6,500 environmental farm action plans completed by March 31,

2008. This target has been surpassed. A total of 10,051 EFPs have been peer-reviewed and endorsed, and PCAB has issued Certificates of Completion. Most producers who have completed an EFP proceed to implement beneficial management practices (BMPs) on their farm operations. From the start of the program in the Spring of 2005, to March 31, 2008, 7,523 BMP projects had been approved for cost-shared funding under the Canada-Saskatchewan Farm Stewardship Program, with federal funding approvals totalling over $28.7 million.

- Another key action was the development of strategies to assist farmers in reducing agricultural greenhouse gas emissions. An on-farm energy evaluation program has been developed, in co-operation with the Ministry of Environment. The goal of this program proposal is to assist producers to review energy use in their operations and look for ways to reduce costs, improve energy efficiency, and reduce impacts on the environment. By year-end, a concept had been developed and was ready to be piloted in 2008-09.

- The promotion of increased carbon sequestration on agricultural lands, along with input into efforts to ensure farmers are aware of opportunities to capture value from their sequestration practices, was also originally identified at the beginning of the year as an action to be pursued. A new federal framework was provided and developments in Alberta were monitored.

3) Industry Assistance

Under this sub-vote, financial assistance and compensation programs are provided to support development, expansion and diversification of the agriculture industry. No specific branch or staff full-time equivalents are assigned to this category.
Industry assistance grants during 2007-08 fell into three categories as follows:

1) Wedge and Rollover Funding – this funding was provided under the Canada-Saskatchewan Implementation Agreement of the Agriculture Policy Framework for research and innovation projects.

2) Meat Processing Strategy – rebates were provided to encourage slaughter and processing capacity in Saskatchewan.

3) Other Industry Assistance Grants – this includes financial assistance and compensation programs to support development, expansion and diversification of the agriculture industry.

Total amounts provided under each of these categories may be found in Appendix F, which lists third-party funding.

Progress on key initiatives:

- During fiscal 2007-08, the Meat Processing Investment Rebate Program application period concluded.

4) Research and Technology

Expenditures on research and technology are primarily represented by funding transfers in support of new agricultural technology and facility diversification and in support of value-added opportunities in the agri-food industry. The Agriculture Research Branch is the only branch of the Ministry included in this sub-vote.

Progress on key initiatives:

- In 2007-08, the Ministry continued to invest in and manage research and development, to support industry priority areas and to create opportunities for the agriculture and food sector.

- Under the Saskatchewan Agriculture Development Fund (ADF) research and development component, the Ministry provided support of almost $7.91 million for 204 on-going and new projects (70 new projects) and 70 completed projects. This funding was applied broadly, and supported work in the areas of field crops, horticulture, forage crops, plant breeding, plant disease and pest control, bio-processing, organic agriculture, animal production, animal welfare, processing, animal disease and pest control, management, marketing and economics.

- During the fiscal year, the Ministry also funded 17 Research Chairs. In total, $2,904,000 was provided under the Strategic Research Program agreements with the University of Saskatchewan and Prairie Agricultural Machinery Institute/ Western Beef Development Centre (PAMI/ WBDC). Progress to date includes: a number of scientific manuscripts, presentations and lectures authored or co-authored; the development of new production methods, feedstocks, and grazing systems: methods of reducing producer input costs; and patents pending on numerous commercial products.

- The following table identifies the number of projects supported and the distribution of funding from the ADF and the AFIF by research area.

2007/08	Livestock	Crops	Soils, Environment, Horticulture and Alternative Crops	Value-Added	Total
ADF $	1,779,681	3,617,607	1,331,301	1,186,076	7,914,666
# of Projects	37	54	48	65	204
AFIF $	300,000				300,000
# of Projects	1				1
Total $	2,079,681	3,617,607	1,331,302	1,186,076	8,214,666
Total # of Projects	38	54	48	65	205

- Information on completed research projects may be found on the Ministry website. For example, funding towards livestock projects during 2007-08 included $46,674 to the Vaccine and Infectious Disease Organization (VIDO) to develop novel vaccination strategies for induction of long-term immune memory and protection to bovine respiratory disease. In the crops area, one project involving the University of Saskatchewan received $47,035 to develop designer cereal grains for the biofuel industry. Two examples of value-added project funding are: $72,800 to the University of Saskatchewan to develop industrial products from vegetable oils and $98,100 to the University of Regina to develop single-use molded products from Saskatchewan crop residue.

Under this sub-vote, a number of research institutions are funded, including:

Vaccine and Infectious Disease Organization (VIDO) - provided $300,000 in funding to support research and development as part of a five-year (2006-2011) agreement for research on disease control and vaccine production. VIDO continued their efforts to make animal vaccines affordable, easy to administer and effective after very few immunizations with the development and refinement of platform technologies that can be applied to multiple species, diseases and vaccines.

Prairie Swine Centre - received $250,000 to support research and development in quality pork production as part of a five-year (2006-2011) agreement. The Prairie Swine Centre began a research project determining the floor space requirement for group-housed sows in anticipation of changing production practices in Western Canada.

The Prairie Agricultural Machinery Institute (PAMI) - was provided funding of $600,000 to carry out research, development, evaluation and extension activities to improve agricultural machinery, agriculture processing equipment and related electronic equipment. PAMI completed the design and construction of a pilot-scale oil extraction system that is now available for toll processing at PAMI's Crops Processing Development Centre. The pilot scale facility can be used for a number of different crops including dill and caraway seeds.

Ag-West Bio Inc. - This enterprise focuses on creating value in agriculture, food, health and bio-based industries. Ag-West works to expedite the commercialization of value-added products, by linking knowledge and investment with science and enterprise in the development of products for meeting market demands. In 2007-08, the Ministry provided funding in the amount of $900,000. Ag-West Bio Inc. continued to administer their Commercialization Fund supporting the development of molecular diagnostic techniques for feedlot animals and new alternative bio-energy sources.

5) Development and Technology Transfer

Expenditures under this sub-vote promote the development, expansion and diversification of the agriculture production and manufacturing industry. This is done by providing production, irrigation, processing, business and adaptation support, through the demonstration of new technologies, and by community, regional and institutional development.

Five branches of the Ministry operate under this sub-vote. They include the Agri-Business Development Branch, the Crop Development Branch, the Irrigation Development Branch, the Livestock Development Branch and the Market Development and Food Branch. In recognition of the joint activity between these branches in delivering their commitments this subsection follows after the various branch program descriptions.

Agri-Business Development Branch:

This branch operates the Agriculture Knowledge Centre (AKC), which maintains a toll-free line where producers may obtain answers to questions on topics ranging from crops and livestock to nutrient management and the economic implications of management decisions. The AKC is staffed with five Resource Agents, eight Sector Specialists and one Agrologist Intern. The AKC is also linked to programs and specialists throughout the Ministry as well as to non-government agricultural resources and specialists.

The AKC responded to calls between April 1, 2007 and March 31, 2008 that related to crop production agronomics (seeding, fertility, pest

control), feed alternatives, ways to reduce livestock feeding costs, and land rental or purchase inquiries.

Regional Office and Development Teams are also located in nine offices around the province. The teams are comprised of specialists in agri-business development, crop development, farm business planning, irrigation development and livestock development. Their purpose is to assist businesses, communities and commercial farmers to start, expand or change their agricultural businesses, encompassing the areas of livestock, crops, forage and value-added processing. Their activities include facilitating the movement of ideas through the development process, building community support, and using new technology to make businesses competitive.

Regional Administrators are also a point of first contact for farmers entering the Canadian Agriculture Skills Service (CASS) Program and verify eligibility for financial benefits under the program. This program helps farmers and their spouses increase their family income through improved farm practices and building new agricultural enterprises; building new rural business ventures; or through obtaining employment income.

In 2007-08, program results for the CASS Program showed outstanding success with more farmers accessing the program in Saskatchewan than all the rest of Canada combined.

Applications	2565
Financial Benefits Paid to Producers	$13.4 M
Average benefit paid	$4,900
Applicants who qualify for the maximum financial benefit	82%

Crop Development Branch:

The Crop Development Branch provided technical advice and specialist services in traditional, organic and non-traditional crop areas, which includes greenhouse crops, fruit crops and honey production. As well as these services to producers, branch activities include providing input to Saskatchewan Crop Insurance Corporation on programming for new crops, participation in crop value chain and roundtable discussions, and offering input and making recommendations on regulatory processes (including minor use pesticides, residue levels and variety registration).

The branch maintains an extensive monitoring program for crop pests. Monitoring is conducted to identify infestation levels for various insects including wheat midge, pea leaf weevil, swede midge, and bertha armyworm. Richardson ground squirrel infestations are also tracked.

The Crop Protection Laboratory provides diagnostic services to Saskatchewan producers in the areas of plant health, insects, weed control and herbicide resistance screening for effective crop management. It assists producers, agronomists and the public to identify pest problems constraining the production of field, horticultural and greenhouse crops.

Demonstration of agricultural research occurs through the Agriculture-Applied Research Management (Agri-ARM) Program. The purpose of this program is to increase the

adoption of new agricultural production technologies and practices and to provide farmers with more tools for environmental and economic decision-making. It also exists to develop and maintain an adequate level of infrastructure and expertise for regional applied research and demonstration; and to increase public awareness of agriculture's role in environmental stewardship and the overall economy. Eight regional applied research and demonstration sites are connected into a province-wide network. Each location has an affiliated producer group that sets the research priorities for that site. Approximately 1,600 people attended field days and tours that highlighted the research and demonstration projects on new crops and practices for improved crop production efficiency.

Irrigation Development Branch:

Major programming provided by the Irrigation Development Branch includes the Irrigation Asset Management Program, the Irrigation Certification Program and the Irrigation Research and Demonstration Program.

Under the Irrigation Asset Management Program, provincially-owned irrigation infrastructure is operated, administered, maintained and replaced. The Ministry holds the infrastructure assets associated with 10 irrigation districts. Of these, the Ministry also operates the Riverhurst Irrigation Project, Luck Lake Irrigation Project and the East Side Pump station (M1 canal). All operation and maintenance costs are passed on to the irrigators.

The Irrigation Certification Program is the mechanism by which the suitability of land and water resources for use in developing irrigation in Saskatchewan is determined. All individuals wishing to develop a new irrigation project must obtain an Irrigation Certificate from the Ministry of Agriculture, confirming the land to be developed is suitable for irrigation from a specified water source. To be eligible for certification, the water quality must be determined suitable for use on the soils identified and the soil quality and structure must be deemed suitable for long-term sustainable irrigation. Projects are exempt from certification if they require less than 12,000 cubic metres of water, or are less than 10 acres in size. In 2007-08 some 3,062 acres were investigated for infill in Irrigation Districts and 2,738 acres were investigated for individuals throughout the province.

Current information on new crops, agronomic practices, variety adaptations and sustainable production methods are provided to irrigation farmers through the Irrigation Research and Demonstration Program. The Ministry, in partnership with the Irrigation Crop Diversification Corporation (ICDC) designs, manages and funds these demonstration projects.

Livestock Development Branch:

The Livestock Development Branch (LDB) has three main lines of business: livestock business analysis, pursuing technological advances for the sector and environmental planning. Information that is generated is provided to producers and industry, and is used internally to develop policy and make decisions. The branch also provides administrative support to the activities of the Cattle Marketing Deductions Fund and the Horned Cattle Fund.

Livestock Development Services provide professional advisory services on development and production to the livestock and meat processing sectors. This includes:

- the production and processing of all livestock species;
- range and forage development;
- engineering services for site selection; and
- markets and industry issues.

The Green Certificate Farm Training Program (GCP) provides curriculum to farm managers for conducting staff training on farms and is offered in the school system. Participants can obtain certification for mastery of practical, hands-on skills essential for the basic operation of a farm. Trainees are trained, tested and certified in cow-calf, dairy, feedlot, sheep and field crop production. Graduates of the Production Technician level can move on to the Production Supervisor program. The GCP attracted 52 new students for the 2007-08 fiscal year.

Market Development and Food Branch:

Major activities and programming provided by this branch include technical support to the meat processing industry, food industry development, investment attraction and international business development.

The Meat Inspection (Domestic) Program provides voluntary inspection of abattoirs and meat processing plants to help ensure food safety. Abattoirs and meat processing plants request inspection which is provided through a contract between the Ministry of Agriculture and the Canadian Food Inspection Agency. Establishments receiving domestic meat inspection are free to sell meat within Saskatchewan.

The purpose of the Saskatchewan Food Industry Development Centre is to aid in the development of value-added processing in Saskatchewan. The Food Centre is a fee-for-service organization staffed with professionals who advise clients about product development; process development; food safety and quality; and food manufacturing. It is federally inspected and is designated as such. It provides specialized services, training and a federally inspected pilot plant that aids in the commercialization of food products.

Investment Attraction - an integrated approach is taken for linking investors with organizations and businesses in the province that are looking for investment. The primary focus is to attract investment in the agri-value industry. Sectors targeted for investment attraction include meat processing, ingredient processing, agri-health, organic and ultra-value crops.

Through the Saskatchewan Toll Processing Centre, food processing companies are provided with access to a federally-inspected meat processing facility at commercially competitive rates. This approach removes the need for small or new meat processing companies to build their own processing facilities.

Financial support and technical expertise is provided to qualifying applicants for the purpose of promoting, developing and implementing value chains in Saskatchewan. Potential projects are evaluated according to criteria in four areas: project design, economic impact, applicant capabilities and value chain development.

Progress on key initiatives:

- The Ministry provides project support for new agricultural enterprises and for expanding existing ones. To do this successfully, it is necessary to proactively identify potential development opportunities, and to ensure that essential infrastructure is in place. This is the primary purpose of the specialists in the Regional Office and Development Teams.

During 2007-08, they:

  - Worked with local and provincial economic development stakeholders (i.e. Regional Economic Development Agencies, Enterprise and Innovation, Chambers of Commerce, etc) to define agri-business development opportunities, goals and strategies.
  - Completed regional agricultural strategy and action plans, which focus on building community capacity, business development and on capturing regional opportunities.
  - Led clients and community groups through the business development lifecycle, which includes feasibility studies, business plans, market research and financial plans; and collected field intelligence.
  - Hosted value-chain workshops around the province, which included their possible application to the flax, pulse, organic and bio-energy sectors.

- An additional function of the development specialists is to, in co-operation with the federal government, deliver renewal programming services to farm families (to respond to financial stress, to capture new opportunities and to effectively change current operations). During the fiscal year:

  - Business Planning Specialists provided support to renewal clients by directing them to appropriate programs (for the development of value-added ideas or to help them obtain private sector planning services).
  - Specialists also were heavily involved in creating awareness of Renewal programs through attendance at trade shows and farm organization annual meetings. Promotion of available programming included the Canadian Farm Business Advisory Service and the Canadian Agriculture Skills Service.

- The provision of enhanced specialist, technical and business development services are activities that involve all branches under this sub-vote, as well as other Ministry branches. The first point of contact between the Ministry and producers seeking such information often is the Agriculture Knowledge Centre. During 2007-08:

  - The AKC responded to approximately 15,400 calls. These included both inquiries to the province-wide toll-free telephone number as well as e-mail inquiries. Specialists provided technical information through trade shows, Agriview articles, Ministry website factsheets and FAQs, and media interviews. They also made 40 presentations, mostly on production topics, to producer and industry groups during the year.
  - The AKC also administered the Feed Grain and Forage Listing Service.

- A key activity of the Ministry during fiscal 2007-08, has been the development of an irrigation strategy that will provide an expanded, environmentally sustainable industry. During the year, Ministry staff:

  - Promoted investment attraction and immigration for the irrigation sector in the Lake Diefenbaker region. This occurred

through participation in the MidSask Regional Economic Development Authority's WaterWolf regional planning process, and through consultations with prospective immigrants to the region.
- Monitoring of soil for changes in salinity and sodicity continues, to ensure irrigation development is environmentally sustainable. Three sites were monitored in 2007, one of which will be certified and removed from the monitoring list. In addition, water use efficiency was monitored, and the long-term trend shows an improvement in efficiency of 50 per cent over the last 40 years.
- Responded to 141 inquiries on irrigation development and processes, up from 128 a year earlier. Some 3,062 acres were investigated for "infill" in Irrigation Districts and 2,738 acres were investigated for individuals throughout the province.

- The Ministry worked to implement a food safety strategy for Saskatchewan's food processing sector in 2007-08. Some of the steps taken include:

  - Developed a Good Manufacturing Practices (GMP) online program.
  - Developed and piloted the Hazard Analysis Critical Control Points (HACCP) Training Program, a comprehensive food safety training program. The program trains key personnel from Saskatchewan food processing companies on the theoretical and practical application of HACCP. The program is now ready for full implementation.
  - Developed and piloted a HACCP Development Program. This Program directly assists food processors with the development and implementation of the HACCP food safety program.
  - Provided technical advice on developing content for the HACCP Online Diploma Program, which trains personnel in rural areas to become HACCP technicians.

- During fiscal 2007-08, the Ministry worked to attract new people and investment to the livestock industry. During the year, a study was completed which compared the costs of a building a farrow-to-finish hog barn in Saskatchewan to Alberta, Manitoba, and Iowa. The components included the cost of land, feed, taxes, capital, labour, interest rates and transportation costs, and demonstrated that Saskatchewan is an attractive environment for the establishment of livestock operations.

  Staff attended the Alberta Beef Industry Conference to promote Saskatchewan's opportunities in cow-calf and feedlot sectors. Participation in the Last Cattle Frontier project also continued. This activity involves economic development stakeholders in the East Central region including; Regional Economic Development Authorities, Chambers of Commerce and rural municipalities. East Central Saskatchewan is promoted as an opportunity for livestock production. More than 150 producers have been attracted to the area from Alberta, Great Britain, Ontario and other locations over the last five years.

  In respect to the Green Certificate Farm Training Program (GCP), 52 new trainees registered in 68 courses during the fiscal year, and a total of 134 trainees were active as of the year-end. The program was delivered in 21 schools and two home schooling families. Certificates were awarded to 23 participants in 2007-08.

- A key activity is the provision of livestock and crop development information and services. In respect to the livestock sector, this included the development of computer-based decision-making programs, market reports and business analysis. Up-to-date scientific information was also provided to the industry, as well as advice on day-to-day issues, information on good management practices for the production of forages, and information on management of animal by-products.

  In regard to the crops sector, provincial and regional specialists again provided information and technical material on a broad range of existing and potentially new crops that can be grown in Saskatchewan. Specialists prepared material on crop protection, crop production, cost of production and marketing, and provided training to producers and industry agrologists.

- Another important function of the Ministry is the provision of livestock disease, crop disease and pest surveillance. Ministry staff have been involved with producers, RMs and other agencies in coordinated approaches to control noxious weeds. Leafy spurge is of particular focus in the northwest and southwest regions where it has the potential to threaten vast areas of rangeland. Staff have also played a role in the development of a Canadian Traceability Program and the Verified Beef Production Program. The purpose of these programs is to control/contain disease, provide assurance to consumers about the safety of meat and to enhance marketing opportunities. Two traceability demonstration projects have been set up on community pastures to determine costs and identify issues around the implementation of traceability.

  The Crop Protection Laboratory provided crop diagnostic services for weeds, insects, plant diseases, strawberry crown nematode screening and herbicide resistance. It also houses the Dutch Elm disease hot-line and diagnostic service.

  During 2007-08:

  - The lab diagnosed 728 submissions. By category this included: insect identification (33); plant identification (60); plant disease diagnosis (233); Dutch Elm disease (277); and herbicide resistance screening (125).
  - Insect surveys were conducted for bertha armyworm, grasshopper and wheat midge. The lab participated in surveys and provided monitoring results for cabbage seedpod weevil, and diamondback moth. Bertha armyworm monitoring results were updated weekly during the growing season. All risk and forecast maps were posted on the Ministry website.
  - Plant disease surveys were conducted for canola, fusarium head blight of cereals and for various wheat leaf diseases to identify their prevalence and severity.

- Promoting expansion of industry slaughter and processing capacity in the province has been difficult, as the two largest hog processing operations in Canada continued with the rationalization of their operations in 2007-08. However, there continues to be interest in the niche meat processing industry. One particular initiative involves a consortium of beef producers who wish to market value-added beef products. Ministry staff continue to provide assistance to these types of projects in various capacities.

- Actions to assist industry in implementing on-farm food safety programs included the provision of information to horticultural groups on programs being developed by the Canadian Horticulture Council, and the organization and facilitation of two On-Farm Food Safety implementation workshops for producers of horticultural crops. A technical review of the national Small Fruit Producer and Packer On-Farm Food Safety Manual was conducted and technical expertise was offered for the Canadian Herb and Spice On-Farm Food Safety program technical review. Ministry staff also provide input into the development of national policies and protocols to assist producers in adopting voluntary On-Farm Food Safety systems.

  In respect to the livestock sector, both industry and governments are working to phase in livestock and poultry traceability across sectors and across Canada over the next three to five years. This will involve the reporting and collecting of information on animals from birth/import to death/slaughter/export. Ministry staff participate in various committees at the national level to ensure the concerns of Saskatchewan's industry are heard and understood.

6) <u>Inspection and Regulatory Management</u>

The Inspection and Regulatory Management branch assists agriculture industry development by providing livestock, game farm and pesticide services. It also provides livestock disease monitoring and environmental assessment for intensive livestock operations. The Inspection and Regulatory Management Branch is the only branch of the Ministry included in this sub-vote.

The Agricultural Operations Unit administers the intensive livestock provisions of *The Agricultural Operations Act*, which requires intensive livestock operations to develop and implement plans for water protection.

The mandate of the Animal Health Unit is to protect and improve the health and welfare of livestock and quality of animal and food products for domestic and world markets.

The Regulatory Service Unit delivers regulatory services for Saskatchewan's agriculture industry. The unit also administers the Agricultural Operations Review Board, the Lands Appeal Board and the Agricultural Implements Board as dispute resolution services.

The Agriculture Fieldworker Program delivers programming for uniform, province-wide control of pests. More than 200 pest control offices across the province are funded in part by this program.

The purpose of the Chronic Wasting Disease (CWD) Surveillance Program is

to detect CWD on domestic game farms. All licensed game farms must participate in the program, and are required to ensure animals are uniquely identified. They must also notify the Ministry within 24 hours of all deaths of animals older than 12 months, submit samples for CWD testing within 15 days of the death of the animal, maintain and report accurate records, and immediately report animal escapes or intrusions.

Livestock Brand Registration is necessary to protect producer ownership rights through registration of acceptable livestock brands. Proof of ownership is required prior to marketing animals, and a unique registered brand is the simplest way to do it. Currently, costs for brand registration are: $25 for four years, or $200 for a lifetime brand.

Livestock Dealer Licensing helps to protect producers from sales losses by licensing all entities in livestock sales and by ensuring that all livestock dealers are bonded. All livestock dealers are required to carry a license ($100 per year) and to have a bond in place (ranges from $25,000 to $250,000, based on previous year's sales volume), to ensure producers are paid for their animals after they are taken to market.

Livestock inspection is necessary to protect producers from theft and fraud, by verifying ownership of cattle. Inspections are required on the sale or export of all livestock in Saskatchewan, for a fee of $1.65 per animal. The program also enforces regulations regarding the humane transportation of livestock, and identification of stray animals.

The purpose of the Pesticide Regulation Program is to regulate commercial pesticide use in Saskatchewan. The program involves the following functions: licensing of pesticide applicators, service providers and vendors; inspections and investigations related to pesticide application; investigation of complaints concerning pesticide use and sales; and provision of technical resources related to pesticide use.

Progress on key initiatives:

- The Ministry provides environmental assessments for intensive livestock operations. Measures taken in 2007-08 include:
  - Improved the environmental strategy for the agricultural sector (including indicators, targets and timetables), in consultation with industry and other Ministries. The strategy is aimed at reducing agricultural impacts on water quality, air quality, soil quality, and biodiversity.
  - 14 approvals were issued under *The Agricultural Operations Act*. The capital construction costs for the approvals issued are estimated at $11.4 million.
  - Completed 16 audit re-inspections to ensure compliance with approved plans.
  - Completed 39 site inspections of proposed project sites and during construction of control works or earthen storages.
  - Staff responded to 126 verbal inquiries about water pollution, regulatory requirements, and applications under development or review.
- The Ministry regulates the application of pesticide products by the agriculture industry. Measures taken in 2007-08 include:

- The *Pest Control Products (Saskatchewan) Act* and regulations provide pesticide applicator, service and vendor licensing. There are currently 14 license classes that reflect the types of pesticide application being conducted. The Ministry issued licenses to 602 pesticide service businesses, 401 vendors and 2,453 pesticide applicators.
- The Pesticide Investigator handled the following complaints in 2007-08: 38 drift complaints, 17 licensing complaints, 14 off-label complaints, seven spray-plane complaints, five storage and disposal complaints, and nine miscellaneous complaints (strychnine and environmental). The Ministry received approximately 50 telephone calls requesting technical information on pesticide uses.
- In conjunction with other partners, continued to implement an obsolete pesticide collection program. The program collected and disposed of 124,516 kilograms of obsolete and unusable agricultural pesticides from farmsteads across Saskatchewan.

7) Farm Stability and Adaptation

This sub-vote provides the Provincial contributions to AgriStability, AgriInvest and other business risk management programs. No specific branch or staff full-time equivalents are assigned to this category. Policy support for Ministry activities in this area are provided under Policy and Planning.

For the 2006 program year, the Canadian Agricultural Income Stabilization Program was still in effect. For that program year, (with applications made primarily in 2007) 30,569 Saskatchewan producers submitted completed application forms and applied for the support available under the program. As of March 31, 2008, 29,925 of these applications had been processed, representing 97.9 per cent of the total number submitted.

Of the claims processed, 38 per cent were eligible for payments totalling $198 million. Once processing is completed, it is expected that approximately $200 million will have been paid to Saskatchewan CAIS participants for the 2006 program year.

8) Land Management

Expenditures under this sub-vote are for the management of agricultural Crown land. This occurs through leasing and sales programs and through the Saskatchewan Community Pastures Program, while promoting integrated land use and a sustainable land resource.

The Lands Branch is the only branch of the Ministry included in this sub-vote. Programming offered includes the Crown Land Leasing Program, the Crown Land Sales Program, the Crown Land Treaty Entitlement Program and the Community Pastures Program.

Under the Crown Land Leasing Program, a lease can be acquired by an allocation or an assignment, and may be renewed, provided that the lessee actively manages and operates the farm operation. The allocation policy targets applicants who are between 23 and 35 years of age, have a smaller than average farm size for the local rural municipality, and operate land and live close to the land being allocated. Long-term agricultural leases are issued to eligible applicants for up to 33 years.

The Crown Land Sales Program exists to sell agricultural Crown Land by tender, catalogue or direct sale to the lessee. Where there is no public reason for the Crown to own vacant Crown land, the land

is publicly advertised for sale to the highest bidder (tender sales). Individuals are eligible if they operate with less than $320,000 municipal taxable assessment and intend to become bonafide farmers. Sales are advertised each fall and spring. Land that remains unsold after tender may be listed for catalogue sale on a first-come, first served basis at the minimum value announced at the tender opening.

Where land is under lease, the lessee may apply to purchase the leased lands at fair market value and on a cash basis, provided the lands are not subject to *The Wildlife Habitat Protection Act;* oil and gas, sand and gravel or timber; and public uses other than agriculture.

The purpose of the Crown Land Treaty Entitlement Program is to co-ordinate the Treaty Land Entitlement (TLE) process for the Ministry. Under TLE, the federal and provincial governments have committed to fulfill Treaty commitments of land promised, but never provided to First Nations. When an Entitlement First Nation selects Crown land, the Ministry has 90 days to respond, advising of the availability for sale and identifying any sale conditions, including settlement of third-party interests. Once the Province makes the land available for sale, the Entitlement First Nation has 18 months to conclude purchase. Land is sold on a willing seller-willing buyer basis at fair market value.

The Saskatchewan (Community) Pasture Program manages 53 cattle pastures and one sheep pasture throughout the province encompassing a total of 839,375 acres. Cattle and sheep are grazed on a custom basis and the land resource is preserved in its current productive state. Farmers and cattle producers may access these pastures for supplemental grazing opportunities, which may enable the expansion and/or diversification of their farming and ranching operations.

Progress on key initiatives:

- A key activity of the Ministry is to manage agricultural Crown land and develop options for best use of this asset. During 2007-08:

  - Grazing rates were not raised, due to continued low cattle prices and rising production costs.
  - A total of 42,625 acres of Crown land was sold with a value of $10.7 million.
  - Total revenue of more than $29.5 million was generated, including rent on cultivation, hay and grazing leases, net proceeds of Crown land sales, petroleum and gas leases and other land revenues and administration fees.
  - A total of 308 new oil and gas surface leases consisting of 1,048 acres were issued, while 66 leases comprising 294 acres were surrendered. The total number of active agreements is 6,420 covering 24,555 acres.
  - Two access permits to agricultural Crown land were made available for the testing and development of wind power sites.

9) Financial Programs

Expenditures under this sub-vote encompass the operation of and programming delivered by the Financial Programs branch. Their primary activity is to support the development and sustainability of agricultural operations through the delivery of guarantee, lending and rebate programs. They administer *The Saskatchewan Farm Security Act*. They also administer and collect the outstanding loan and investment portfolios and guarantees of the Agricultural Credit Corporation of Saskatchewan (ACS).

The major program area is the administration of the Livestock Loan Guarantee (LLG) Program, which provides producers with alternative financing options for purchase of livestock, or for construction of feedlot facilities. Under the association option, Saskatchewan residents establish production associations to borrow funds, which is done on the strength of a government guarantee to the lender and the association's assurance fund. The funds are used by the associations to purchase feeder and breeder cattle and sheep and bison. Several initiatives under the financial option were undertaken in 2007-08, including:

- increases in the member feeder limits to $300,000;
- increases in the member breeder limits to $200,000;
- the addition of a Bison Breeder option.

Fiscal year and historic activity under the LLG program is detailed in the following table.

Activity under the Livestock Loan Guarantee (LLG) Program				
Program Statistics	**2004-05**	**2005-06**	**2006-07**	**2007-08**
Number of Associations	111	104	104	100
Number of Members	5,000	4,593	4,414	3852
Loan Guarantees	$27.05 million	$25.87 million	$25.66 million	$23.04 million
Feeder Cattle purchased (head)	90,195	90,361	93,330	92,335
Value of Feeder Cattle purchased	$48.89 million	$59.08 million	59.14 million	51.98 million
Breeder Cattle purchased (head)	19,948	22,290	24,457	21,795
Value of Breeder Cattle purchased	$16.77 million	$20.16 million	23.3 million	19.83 million
Feeder Bison purchased (head)	30	38	316	475
Value of Feeder Bison purchased	$10,160	$13,190	$150,525	$192,939
Feeder Sheep purchased (head)	530	334	112	116
Value of Feeder Sheep purchased	$24,957	$25,000	$11,939	$28,800
Breeder Sheep purchased (head)	333	741	176	403
Value of Breeder Sheep purchased	$26,910	$77,278	$26,400	$56,700

Other activity of interest includes:

- The provision of guarantees under the Individual Cattle Feeder Option to two producers for loans to purchase feeder cattle. The value of the guarantees extended was $750,000.
- The use of the Feedlot Construction Loan Guarantee Option in four cases, for total guarantee value of $737,609. Under this option, loan guarantees are provided to lenders that finance the construction or expansion of feedlot facilities for feeding cattle, sheep or bison.
- Administration of the Advance Payments Program by the LLG Program, beginning in October 2007. This program is administered on behalf of the federal government and allows producers in the feeder options of bison and cattle to apply for a rebate on a portion of their interest on eligible loans. By end of March 2008, 627 producers had applied to have rebates on $20.9 million of principal.

The Short-term Hog Loan Program and the Short-term Cattle Loan Program were also announced during the latter part of fiscal 2007-08. The Short-term Hog Loan Program is the third program by this name, and was announced in December 2007, in response to depressed market prices. Loans are based on 90 per cent of the difference between $140 and the Saskatchewan weekly pooled price per ckg for market hogs, and $10 per weanling for all market hogs and weanlings marketed between October 1, 2007, and May 2, 2008. The program disbursed $13.5 million to 25 producers (29 loans in total) for the period ending March 31, 2008. The program had an application deadline of June 10, 2008. Loan repayment will commence May 2009, and loans will need to be repaid by April 2012. The interest rate is the government's cost of borrowing.

As of March 31, 2008, the outstanding loans were as follows:

Weanling Loans	4 loans	$ 463,460
Mature Loans	25 loans	$13,043,055
TOTALS	29 loans	$13,506,515

The Short-term Cattle Loan Program was enacted under *The Agricultural Credit Corporation of Saskatchewan Act* in January 2008, in response to low returns to cattle producers. The loans were based on $75 per calf, feeder and bred heifer producers held in inventory as of August 1, 2007. Loans are termed over three years at the government's cost of borrowing with payments commencing January 2009. A total of $19,102,050 was disbursed to 1,270 producers under this program to March 31, 2008.

10) Crop Insurance

This sub-vote in its entirety is represented by the Saskatchewan Crop Insurance Corporation (SCIC). The corporation administers insurance programs which protect grain and livestock producers from production failures due to natural hazards. It also delivers programs which compensate producers for crop damage caused by big game and migratory waterfowl. Although the SCIC prepares separate annual reports from the Ministry of Agriculture, it is an agency that is legislatively responsible to the Ministry and is included on the Ministry organizational chart.

Progress on key initiatives:

- Efforts to enhance crop insurance programs that grains and livestock producers may use to offset production failures and other natural hazards are ongoing. For the 2007-08 crop year:
  - SCIC provided production insurance on 38 different crops and crop

classes, and a variety of forages. Approximately 27,146 customers insured 23 million acres of annual cropland and nearly 437,692 forage acres under the yield-loss programs. This compares to 28,300 customers insuring 22 million acres of annual cropland and 515,000 forage acres during the previous year. Weather-based insurance products accounted for an additional 2.3 million acres, compared to 2.5 million the year previously. SCIC insured 70 per cent of all land seeded in Saskatchewan. This is unchanged from the previous year.

- Wet conditions in the northeast and east central areas resulted in unseeded acreage again in 2007, though not to the extent experienced in previous years. Other significant causes of yield loss in 2007 included hot, dry weather in July and August, and significant gopher damage throughout the southwest. This contributed to 2007 production that was less than one per cent above the 10 year average. Cumulatively, SCIC completed more than 24,600 inspections for all claim types, excluding the Wildlife Damage Compensation Program, and paid approximately $136 million to customers. During the year earlier, 19,000 inspections were conducted and $122 million was disbursed.

Complete program and statistical information can be found in the 2007-2008 SCIC Annual Report, available at www.saskcropinsurance.com.

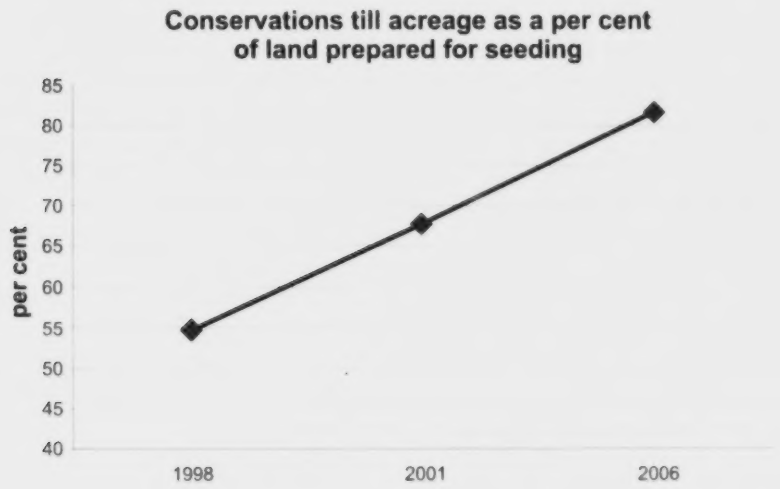
Performance Measures as Established by the Ministry of Agriculture

Ten performance measures that were established for Ministry of Agriculture reporting prior to 2007-08 are as follows:

- *Conservation tillage as a per cent of land prepared for seeding*
- *Summerfallow as a percentage of total cultivated land*
- *The number of hogs marketed*
- *The number of slaughter steers and heifers marketed*
- *The beef cow herd size*
- *Value of crop output in dollars per acre*
- *Total farm market receipts plus the value of food and beverage shipments*
- *Total number of hogs slaughtered*
- *Acreage insured under crop insurance as a percentage of total acreage seeded annually to crops or devoted to perennial tame hay and native forage*
- *Percentage of Saskatchewan farm operations above $10,000 in sales that participate in the CAIS program.*

- *New performance measures will be established for the Ministry of Agriculture in 2008-09.*

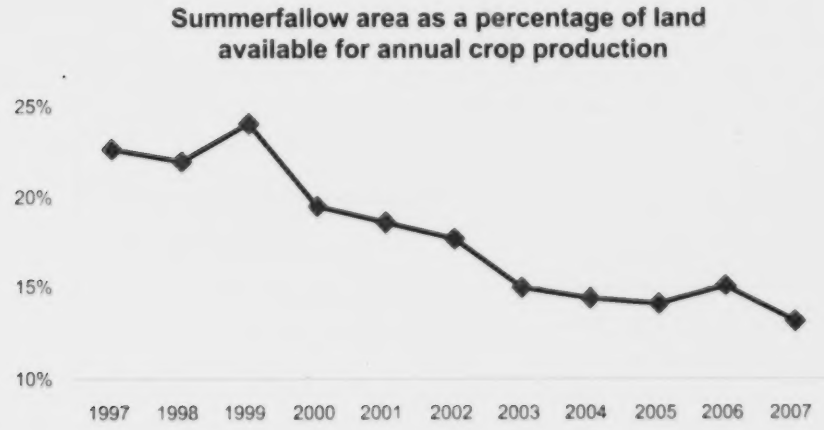
- *Conservation tillage as a per cent of land prepared for seeding*



Source: Statistics Canada

According to the 2006 agriculture census, conservation tillage as a per cent of land prepared for seeding increased from 67.6 per cent in 2001 to 81.7 per cent in 2006. This indicates that producers have largely adopted the best management practices of conservation till, in an effort to ensure long-term economic and environmentally sustainable crop production.

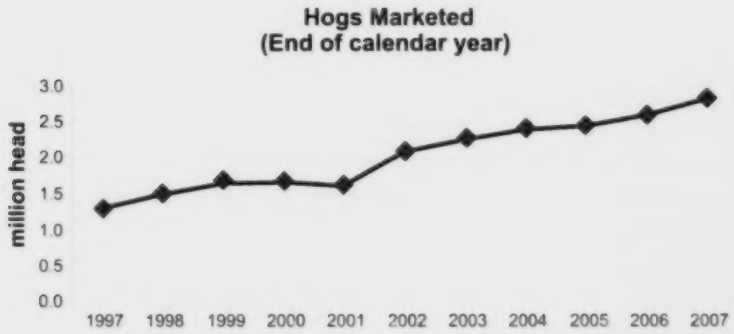
- *Summerfallow as a percentage of total cultivated land*



Source: Statistics Canada

Saskatchewan crop land that is not in production has been on a downward trend since the 1990s. In 2007, the summerfallow area as a percentage of land available for annual production fell from the previous level of 15.1 per cent to 13.1 per cent. In comparison, Alberta and Manitoba summerfallow acreage has remained relatively constant.

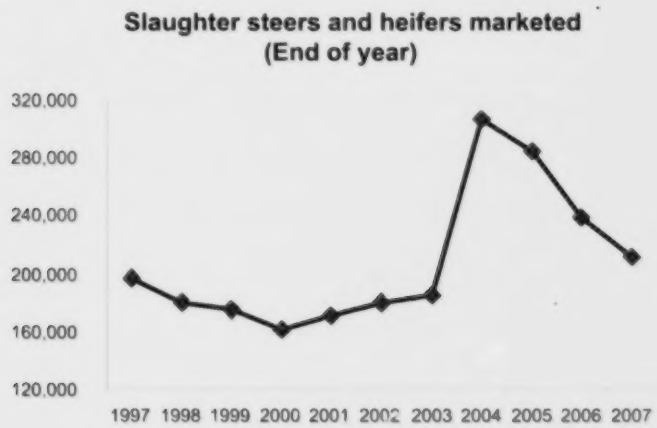
- *The number of hogs marketed*



Source: Statistics Canada

During 2007, the number of slaughter hogs marketed was over 2.8 million animals. Growth in the hog industry has been steady the past three years. The percentage increase in hogs marketed in Saskatchewan from the beginning of January 2007, to January 2008, was nine per cent. In comparison, Manitoba experienced 4.3 per cent growth during the same time period and Alberta saw a decrease of 2.3 per cent.

- *The number of slaughter steers and heifers marketed*

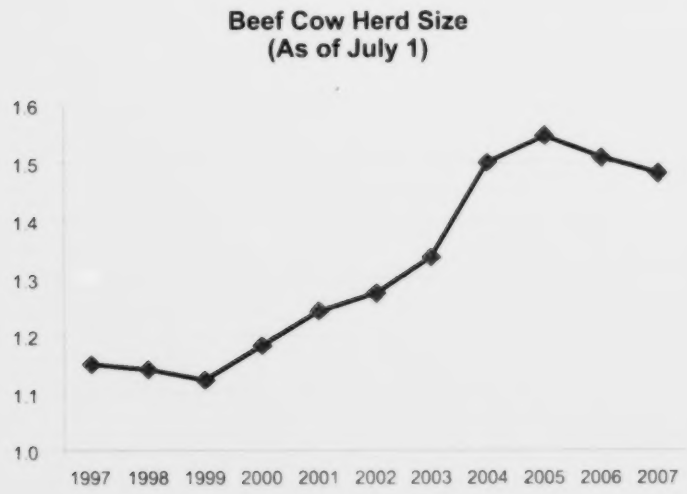


Source: SA Cattle Marketing Report

During 2007, 211,300 slaughter steers and heifers were marketed, a decrease of 26,940 from the previous year. Comparable data is not available for Alberta or Manitoba.

The reduction in slaughter steers and heifers is the continued trend of returning to pre-BSE conditions. The rapid increase in slaughter cattle from 2003 to 2004 is a direct result of the U.S. border closure due to BSE. The reduction of slaughter animals from 2006 to 2007 is largely the result of the high Canadian dollar and the price ratio of corn over barley, making feed more profitable in the U.S. in late 2007.

- *The beef cow herd size*



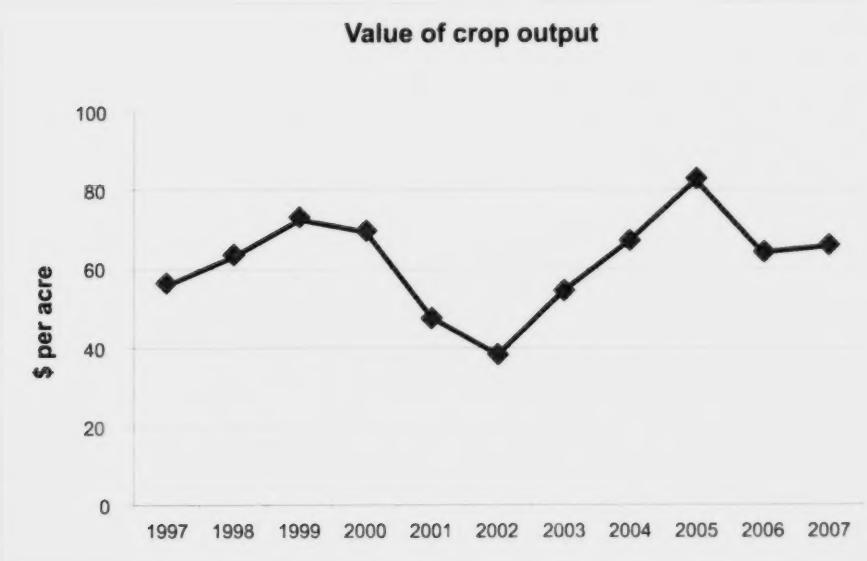
Source: Statistics Canada, SA Livestock StatFact January 1, 2008 Cattle on Farms

At July 1, 2007, the beef cow herd in Saskatchewan was estimated by Statistics Canada at 1.48 million head. This is a decrease of 28,000 animals from the level of a year earlier. By January 1, 2008, the beef cow herd stood at slightly under 1.48 million head, a 0.3 per cent decline from a year earlier. In comparison, numbers in Alberta decreased by one-half per cent and Manitoba experienced a 1.3 per cent decline during the same time period.

Reduction in the cow herd is a result of increased cow slaughter and is due to several factors including:

- reduction in the abnormally large herd sizes built-up during BSE border closures,
- response to the U.S. Department of Agriculture opening the border to cattle over 30 months of age, born on or after March 1, 1999,
- increased demand for manufacturing beef,
- positive margin for beef processors slaughtering cows compared to fed cattle slaughter, and
- exit of cow-calf producers from the industry.

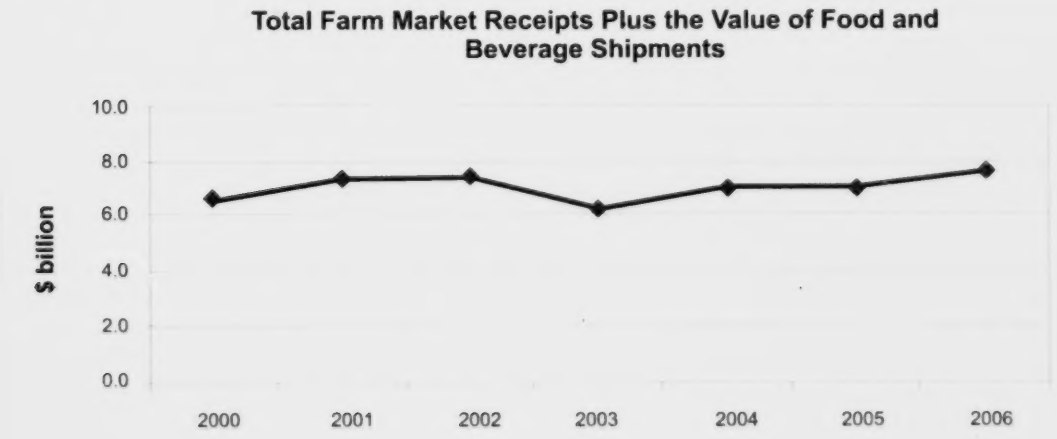
- *Value of crop output in dollars per acre*



Source: SA, internal calculations, and Statistics Canada

In 2007, the value of crop output per acre, as calculated by the Ministry, was $65.38 per acre, up $1.58 an acre from the value estimated for the previous year.

- *Total farm market receipts plus the value of food and beverage shipments*



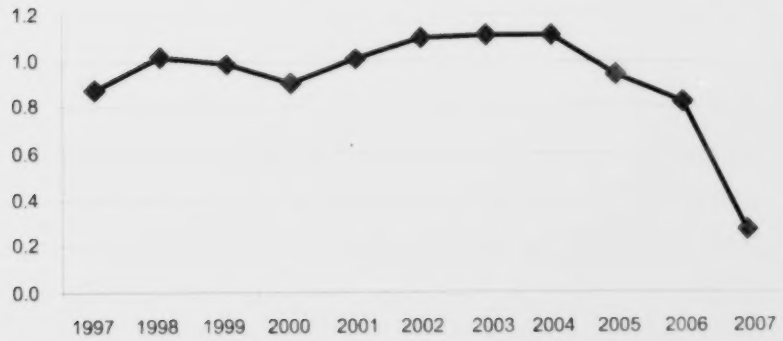
Source: Statistics Canada

Farm market receipts plus food and beverage shipments measured by Statistics Canada indicate the contribution of agricultural primary and processing industries to the provincial economy. In 2006, Saskatchewan's total market receipts plus the value of food and beverage shipments

increased to $7.62 billion, an increase of nine per cent over 2005. Farm market receipts (crop and livestock) saw an increase of nine per cent, while food and beverage shipments increased 11 per cent over 2005.

- *Total number of hogs slaughtered*

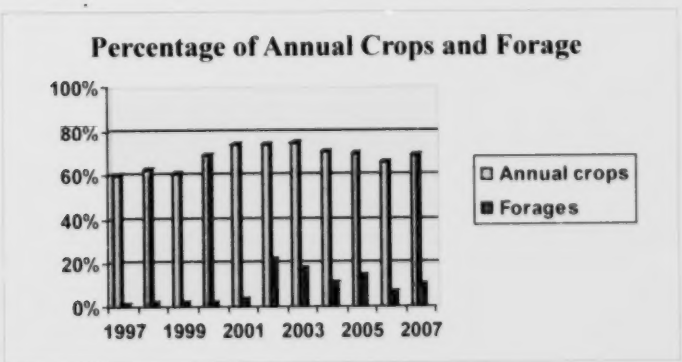
Hogs Inspected in Federally Regulated Facilities
(End of calendar year)



Source: AAFC

In 2007, the number of hogs that were slaughtered in federally regulated hog facilities in Saskatchewan fell to 260,000, from 820,000 in 2006, as a result of the closure of the Maple Leaf slaughter plant in Saskatchewan.

- *Acreage insured under crop insurance as a percentage of total acreage seeded annually to crops or devoted to perennial tame hay and native forage*



Source: Saskatchewan Crop Insurance Corporation

During 2007, 70 per cent of all annual crop acreage was insured. Insurance on forages was provided on 10 per cent of total acres.

- *Percentage of Saskatchewan farm operations above $10,000 in sales that participate in the CAIS program*

For the 2006 program year, 46,362 Saskatchewan producers signed up and elected a level of support. The number of producers that submitted all necessary forms to be considered for program support totalled 33,470, representing 31,996 farms. (*NOTE: Where there is a partnership, each individual partner can submit CAIS forms, resulting in more than one form per farm in some cases.*) This number is equivalent to 92 per cent of the estimated number of Saskatchewan farms in 2006. (Statistics Canada – Farm Financial Survey)

Financial Overview

Expenses:

During 2007-08, the Ministry of Agriculture incurred expenses of $302.2 million, which is $1.1 million over the original expense budget of $301.1 million. Funding requirements of the new 2008 Short-term Hog and Cattle Loan Programs and the Crop Insurance Program were for the most part offset by savings in the Ministry. A reduced funding requirement for the AgriStability Program (formerly CAIS), delayed irrigation infrastructure rehabilitation and vacancy management provided these savings.

The Ministry received funding of $14.505 million ($14.255 million in transfers to individuals and $250,000 in Salaries) through Supplementary Estimates to cover additional spending for the Short-term Livestock programs.

The Ministry took over the administration of the Farm Land Security Board which revised the budget by $851,000 ($466,000 in supplier payments and $385,000 in salaries).

Finally the revised budget includes $166,000 in statutory adjustments as a result of the net financing requirements for the two revolving funds it operates.

The following table provides a summary of expenses:

Agriculture Expenses	***Original Budget*** *($ thousands)*	***Revised Budget*** ($ thousands)	***Actual*** ($ thousands)
Personal Services	27,552	28,187	25,124
Supplier and Other Payments	20,959	21,591	22,616
Transfers to Individuals	196,272	210,527	222,214
Transfers for Public Services	53,900	53,900	29,579
Amortization Expense	2,424	2,424	2,665
2007-08 Expenses	**301,107**	**316,629**	**302,198**

Revenue:

In 2007-08, the Ministry collected $57.2 million in revenue; up $1.5 million from the Budget Estimate of $55.7 million. The increased revenue was primarily attributed to transfers received from the Federal Government for delivery of the Canadian Agricultural Skills Services Options Program and for cost-sharing of Crop Insurance administration expenses.

Full Time Equivalents (FTEs):

The Ministry's revised budget provided 529.6 FTEs for 2007-08. The actual FTE utilization during the year was 537.4 which was 7.8 over budget as revised. The increased utilization was primarily due to increased demand for livestock inspections, offset partially by vacancy management throughout the Ministry.

Financial Statements

Financial Schedules 2007-2008 (Unaudited)

Ministry of Agriculture
Schedule of Revenue and Expenditures

		2007-08 Estimates* $000s	2007-08 Actuals $000s	Variances over (under) $000s	Notes
Revenue					
Land Revenue:					
Crown Land Sales	$	4,000	6,704	2,704	1
Rent and Penalty on Land Leases		25,150	22,270	(2,880)	2
Land Licenses and Permits		400	384	(16)	
Interest		250	171	(79)	3
Royalties on Sand and Gravel		8	-	(8)	
Receipts from Federal Government		23,881	25,363	1,482	4
Privileges, Licenses and Permits		202	166	(36)	
Sales, Services and Service Fees		1,445	1,032	(413)	5
Interest Revenue		140	218	78	6
Other Revenue		49	71	22	
Refund of Previous Year Expenditures		130	800	670	7
Total Revenue	$	55,655	57,179	1,524	
Expenditures					
Central Management and Services	$	6,979	7,157	178	8
Industry Assistance	$	14,637	16,694	2,057	9
Land Management					
Land Management Services	$	3,066	2,728	(338)	10
Losses on Sale of Land		400	462	62	11
Land Revenue Bad Debt Allowances		500	-	(500)	12
Pastures Revolving Fund Net Financing Requirement (Recovery)		-	345	345	13
Subtotal	$	3,966	3,535	(431)	
Inspection and Regulatory Management					
Program Operations	$	3,650	2,989	(661)	14
Livestock Services Revolving Fund Subsidy			300	300	15
Livestock Services Revolving Fund Net Financing Requirement (Recovery)		205	(179)	(384)	16
Subtotal	$	3,855	3,110	(745)	

Financial Statements

Financial Schedules 2007-2008 (Unaudited)

		2007-08 Estimates $000s	2007-08 Actuals $000s	Variances over (under) $000s	Notes
Policy and Planning	$	7,249	7,017	(232)	17
Research and Technology					
Project Coordination	$	947	672	(275)	18
Research Programming		12,636	12,620	(16)	
Subtotal	$	13,583	13,292	(291)	
Development and Technology Transfer	$	21,665	15,155	(6,510)	19
Farm Stability and Adaptation					
Agri-Stability		118,335	115,799	(2,536)	20
Subtotal	$	118,335	115,799	(2,536)	
Financial Programs					
Financial Programs Management	$	4,600	3,605	(995)	21
Short-Term Hog Loan Program	$	-	7,552	7,552	22
Subtotal	$	4,600	11,157	6,557	
Boards and Commissions - Transferred from Justice 003					
Farm Land Security Board		851	741	(110)	23
Subtotal	$	851	741	(110)	
Crop Insurance					
Program Delivery	$	26,627	27,927	1,300	24
Crop Premiums		71,937	74,006	2,069	25
Interest Subsidy		5,500	3,953	(1,547)	26
Subtotal	$	104,064	105,886	1,822	
Budget Appropriation	$	299,784	299,543	(241)	
Supplementary Estimates/Special Warrants	$	14,505	-	(14,505)	27
Statutory Adjustment	$	166		(166)	28
Total Revised Appropriation	$	314,455	299,543	(14,912)	
Capital Asset Acquisitions	$	(250)	(52)	198	29
Amortization of Capital Assets	$	2,424	2,665	241	30
Other	$	-	42	42	
Total Revised Estimates and Expenses	$	316,629	302,198	(14,431)	
FTE Staff Complement (FTE - Full Time Equivalent)		529.6	537.4	7.8	31

* as included in the 2007-08 Saskatchewan Provincial Budget Estimates.

Financial Schedules - Notes

Explanations of variances which exceed $50,000 between Estimates and Actuals.

Revenue

1. Higher than expected land sales due to increased farm commodity prices.

2. Land lease rentals for grazing, cultivation and petroleum and gas were less than budget due to market rent decreases.

3. Less interest received as land sale agreements were paid out early.

4. Increased revenue from the Federal Government for delivery of the Canadian Agricultural Skills Services Program and for increased Crop Insurance administration expenses.

5. Reduced demand for irrigation services due to higher moisture levels.

6. Interest accrued on the 2008 Short-Term Hog Loan Program.

7. Increase in repayment of funding provided in previous years for Research and Development grants, Crop Insurance premium and interest subsidy overpayments, and Financial Program grants.

Expenditures

8. Estimated severance costs for changes in Executive Management offset by a mid-year transfer of Human Resources to the Public Service Commission and savings in Accommodations due to utility rate rebates and lower capital purchases required.

9. The Ministry provided assistance to a variety of agricultural programs and initiatives during the year.

10. Vacancy management and decreased allowance required for accounts receivable.

11. Increased sale of former Land Bank land at value less than book value.

12. No increases were required for Land Revenue Bad Debt Allowance.

13. The Pastures Revolving Fund cash expenditures exceeded cash revenues resulting in a net expenditure. This was primarily due purchase of capital assets.

14. Expenditures were lower due to vacancy management, reduced operating costs and decreased demand for Chronic Wasting Disease testing.

15. Subsidy was provided to the Livestock Services Revolving Fund because the revenue received was anticipated to not be sufficient to cover expenses of the fund. Fee increases were not considered due to economic situation of livestock producers.

16. After the subsidy in note 15, the Livestock Services Revolving Fund cash revenue exceeded cash expenditures resulting in a net recovery.

17. Vacancy management offset by information technology service delivery that was higher than budget.

18. Vacancy management and reduced operating costs.

19. The irrigation infrastructure rehabilitation was delayed pending contract finalization. Savings also resulted from vacancy management, project delays due to the election and reduced operational costs for irrigation services. This was offset slightly by costs of the Canadian Agricultural Skills Services Options Program.

20. Reduced requirement for full funding of the 2007 Agri-Stability Program (formerly the Canadian Agricultural Income Stabilization Program), partially offset by increased funding for prior crop years.

21. Vacancy management and savings due to wind-down of programs offset partially by administrative costs associated with the new livestock loans programs.

22. Loan loss provision required for the Short-term Hog Loan Program.

23. Reduced contractual services due to decreased notice of intents to foreclose.

24. Increased Crop Insurance Program Delivery costs due to higher than average number of claims.

25. Increased funding requirement for Crop Insurance Premiums due to a shift in cropping patterns from that used for estimates, which resulted in a higher liability per insured acre. In addition, there were increased wildlife damage compensation claims.

26. Interest costs were lower due to debt reduction being greater than anticipated.

27. Supplementary Estimates and Special Warrants increase the Province's overall budget and are disclosed in the Public Accounts as an increase in the appropriations. In 2007-08 the Ministry received additional funding of $14.505M for costs associated with the 2008 Short-Term Livestock Loan Programs.

28. There is a statutory provision for Revolving Funds when the cash expenditures exceed revenue. Variances for the Pastures Revolving Fund and the Livestock Revolving Fund are explained in notes 13 and 16.

29. Renovations to the Walter Scott Building were not required. This was offset partially by a capital expenditure for GPS equipment for the Irrigation Development Branch.

30. Increased amortization to correct the net book value of Lake Diefenbaker irrigation assets that were transferred to the Ministry from Sask Water on April 1, 2006.

FTE Staff Complement

31. The variance is a result of demand for livestock inspections offset by vacancy management throughout the Ministry.

Where to Obtain Further Information

The purpose of this section is to provide readers with a means to obtain further information, ask questions or provide comments on the Ministry's performance results.

Readers seeking additional information may consult the Ministry of Agriculture website, located at http://www.agriculture.gov.sk.ca/. This site includes detailed program information, agronomic information, reports, statistics and several interactive features. Additional information may also be obtained by writing:

Communications Branch
Ministry of Agriculture
Room 101, 3085 Albert Street
Regina, Saskatchewan S4S 0B1

APPENDICES

APPENDIX A – MINISTRY ORGANIZATION

As of April 1, 2007, the Ministry of Agriculture had 522.6 full-time equivalent (FTE) positions, and Saskatchewan Crop Insurance Corporation (SCIC) had 326.5 FTE positions. The Ministry and SCIC a presence in 26 communities throughout the province, with head offices located in Regina and Melville respectively. The location of the Ministry's regional offices, the Agriculture Knowledge Centre, Lands Branch Offices, other field offices and SCIC offices are included in the following list:

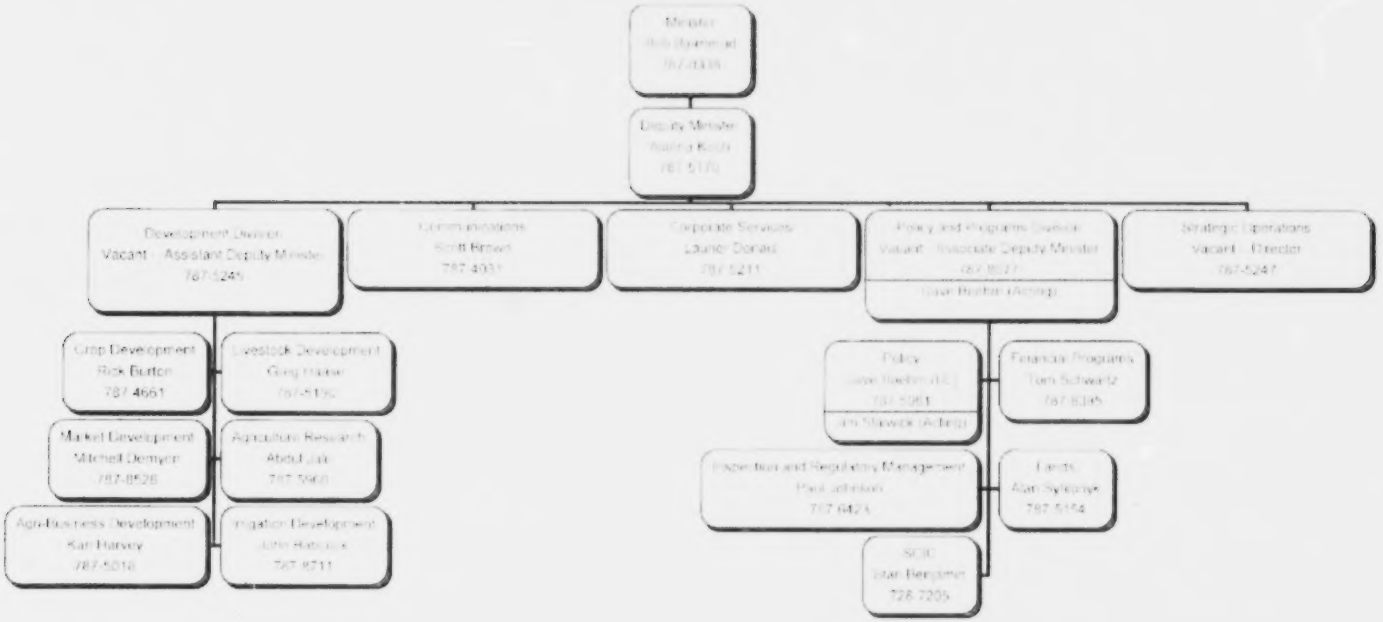
Assiniboia, Davidson, Estevan, Humboldt, Kindersley, La Ronge, Leader, Melville, Moose Jaw, Moosomin, Nipawin, North Battleford, Outlook, Preeceville, Prince Albert, Raymore, Regina, Rosetown, Saskatoon, Shaunavon, Swift Current, Tisdale, Turtleford, Watrous, Weyburn, Yorkton.

The following is a breakdown of the FTE positions at the beginning of the fiscal year:

Central Management and Services Minister and Deputy Minister's Office, Corporate Services Branch	**41.0**
Land Management Lands Branch	**41.1**
Inspection and Regulatory Management Inspection and Regulatory Management Branch	**32.0**
Policy and Planning Communications and Policy Branches and Business and Information Technology Services	**52.7**
Agricultural Research Agriculture Research Branch	**12.0**
Agriculture Development and Technology Transfer Agri-Business Development, Crop Development, Irrigation Development, Livestock Development and Market Development and Food Branches	**167.0**
Financial Programs Financial Programs Branch	**52.7**
Revolving Funds[1]	**124.1**
Total (Ministry of Agriculture)	**522.6**
Saskatchewan Crop Insurance Corporation (SCIC)	**326.5**
Total (Organization)	**849.1**

[1]Revolving Funds consist mostly of seasonal employment for the Saskatchewan Pastures Program and Livestock Inspection Services.

Saskatchewan Ministry of Agriculture
As of March 31, 2008
2007-2008



APPENDIX B – REVOLVING FUNDS

Pastures Revolving Fund

The Saskatchewan Pastures Program manages a total of 53 cattle pastures and one sheep pasture throughout the province encompassing 839,375 acres. Cattle and sheep are grazed on a custom basis and the land resource is thereby preserved in its current productive state.

This land assists farmers and cattle producers by providing supplemental grazing opportunities in order for them to expand and/or diversify their farming and ranching operations.

The Pastures Revolving Fund uses revenue generated from user fees to operate the program. The fund has the flexibility to operate between a $700,000 deficit and $700,000 surplus on an accumulating basis. Surpluses in excess of the maximum may be paid to the General Revenue Fund; deficits in excess of the maximum are covered by a subsidy from the General Revenue Fund.

Financial statements are audited by the Provincial Auditor each year. Copies of the audited statements are available from Ministry Corporate Services.

Summary of Revenue and Expenses for 2007-08 Fiscal Year (unaudited)

In Thousands of dollars	Budget	Actual
Revenue	$7,520	$7,561[2]
Expenses - Operations	$7,494	$7,583[2]
Net Profit (Loss)	$26	($22)[1]
Subsidy from the General Revenue Fund	0	0
Net Profit (Loss) After Subsidy	$26	($22)[1]

Explanations of Variance:

1 Decreased revenues from livestock allocations, timber sales and education tax rebate.
2 Increased expenditures due to change in capital thresholds.

Livestock Services Revolving Fund

On behalf of the Government of Saskatchewan, the Livestock Services Revolving Fund provides brand inspection services, registers livestock brands, licences livestock dealers, and provides administrative services for the Cattle Marketing Deductions Fund and the Horned Cattle Fund.

Under authority of *The Department of the Agriculture, Food and Rural Revitalization Act* and the Minister of Agriculture, the Livestock Services Revolving Fund provides services on a cost-recovery basis. Although the Fund is mainly self-sustaining, it receives use of certain office space, capital assets and administration services from the ministry without charge.

Unaudited summary revenue and expenditure information for 2007-08, relating to the operations of the fund, is provided below:

In Thousands of Dollars	Budget 2007-08	Estimated 2007-08	Variance – Over (Under)
Revenue	3,311	3,380[1]	68
Expenditures	3,451	3,499[1]	47
Net Profit (Loss)	(140)	(119)	21
Subsidy from the General Revenue Fund	-	300[2]	300
Net Profit (Loss) After Subsidy	(140)	181	321

Explanations of Variances

[1] Marketings were three per cent higher than expected, which required an increase in expenditures.

[2] The Revolving Fund was provided with a subsidy in 2007-08 as marketing and associated revenue was expected to decline in the future.

APPENDIX C - LOANS AND GUARANTEED DEBT

Livestock Loan Guarantee (LLG) Program
The LLG Program facilitates growth of Saskatchewan's livestock industry by providing producer associations access to credit at favourable interest rates and with limited collateral requirements for purchase of cattle, sheep or bison. The Program may also be used as a management tool to generate cash flow through retained ownership options.

During 2007-08, budgeted and actual guarantees under this program were:

Breeder Associations (In thousands of dollars)	Budget	Actual	Variance Over (Under)
Beginning Balance	20,000	14,417	
Additions			
Reductions		(-)1,505	
Ending Balance	20,000	12,912	(-)7,088

*unaudited

Explanation of Variance:
Program participants lower as a result of market uncertainty, high feed costs and additional options for financing.

Feeder Associations (In thousands of dollars)	Budget	Actual	Variance Over (Under)
Beginning Balance	14,000	11,306	
Additions	1,000		
Reductions		(-)2,296	
Ending Balance	15,000	9,010	(-)5,990

*unaudited

Explanation of Variance:
Program participants lower as a result of market uncertainty, high feed costs and additional options for financing.

Individual Cattle Feeder Loan Guarantees (in thousands of dollars)	Budget	Actual	Variance Over (Under)
Beginning Balance	3,000	75	
Additions			
Reductions	(-)1,000	(-)304	
Ending Balance	2,000	379	(-)1,621

*unaudited

Explanation of Variance:
Program participants lower as a result of market uncertainty, high feed costs and additional options for financing.

Feedlot Construction Loan Guarantees (In thousands of dollars)	Budget	Actual	Variance Over (Under)
Beginning Balance	3,000	749	
Additions	3,000		
Reductions		(-)7	
Ending Balance	6,000	742	(-)5,258

*unaudited

Explanation of Variance:
Program participants lower as a result of market uncertainty, high feed costs and additional options for financing.

Enhanced Feeder Loan Guarantees (In thousands of dollars)	Budget	Actual	Variance Over (Under)
Beginning Balance	1,000	0	
Additions			
Reductions	(-)1,000		
Ending Balance	0	0	0

*unaudited

Explanation of Variance:
N/A

Short-term Hog Loan Program(s)
The Short-term Hog Loan Program(s) supported increased livestock production by providing loans to producers. The initial Short-term Hog Loan Program that was announced in December 1998, assisted hog producers in offsetting operating losses due to a severe reduction in hog prices at that time. A second hog loan program was announced in November 2002, in response to the high feed prices and depressed market prices that hog producers were experiencing. A third hog loan program was announced in December 2007, again in response to the high feed prices and depressed market prices

During 2007-08, budgeted and actual loans under this program were:

1998 STHP outstanding loans (In thousands of dollars)	Budget	Actual	Variance Over (Under)
Beginning Balance	34	31	
Additions			
Reductions	(-)4	(-)17	
Ending Balance	30	14	(-)16

*unaudited

Explanation of Variance:
Loan reduction greater than anticipated as a result of the 2008 program.

2002 STHP outstanding loans (In thousands of dollars)	Budget	Actual	Variance Over (Under)
Beginning Balance	7,053	6,249	
Additions			
Reductions	(-)2,828	(-)4,416	
Ending Balance	4,225	1,833	(-)2,392

*unaudited

Explanation of Variance:
Loan reduction greater than anticipated as a result of the 2008 program.

2008 STHP outstanding loans (in thousands of dollars)	Budget	Actual	Variance Over (Under)
Beginning Balance	0	0	
Additions		13,507	
Reductions			
Ending Balance	0	13,507	13,507

*unaudited

Explanation of Variance:
Program announced December 2007.

Agricultural Credit Corporation of Saskatchewan

Agri-Food Equity Fund (AFEF) debt was financing used by the fund for agri-value-added investments and will be repaid as AFEF investments are repaid.

During 2007-08, budgeted and actuals were:

Agri-Food Equity Fund (In thousands of dollars)	Budget	Actual	Variance Over (Under)
Beginning Balance	7,750	7,750	
Additions			
Reductions			
Ending Balance	7,750	7,750	nil

*unaudited

Explanation of Variance:
N/A

APPENDIX D – Saskatchewan Legislation Administered by the Ministry of Agriculture 2007-08

The Agricultural Credit Corporation of Saskatchewan Act

The Agricultural Equipment Dealerships Act

The Agricultural Implements Act

The Agricultural Operations Act

The Agricultural Safety Net Act

The Agri-Food Act, 2004

The Agri-Food Innovation Act

The Agrologists Act, 1994

The Animal Identification Act

The Animal Products Act

The Animal Protection Act, 1999

The Apiaries Act, 2005

The Cattle Marketing Deductions Act, 1998

The Crop Insurance Act

The Crop Payments Act

The Department of Agriculture, Food and Rural Revitalization Act

The Diseases of Animals Act

The Expropriation (Rehabilitation Projects) Act

The Family Farm Credit Act

The Farm Financial Stability Act

The Farmers' Counselling and Assistance Act

The Farming Communities Land Act

The Grain Charges Limitation Act

The Horned Cattle Purchases Act

The Irrigation Act, 1996

The Land Bank Repeal and Temporary Provisions Act

The Leafcutting Beekeepers Registration Act

The Line Fence Act

The Milk Control Act, 1992

The Noxious Weeds Act, 1984

The On-farm Quality Assurance Programs Act

The Pastures Act

The Pest Control Act

The Pest Control Products (Saskatchewan) Act

The Prairie Agricultural Machinery Institute Act, 1999

*The Provincial Lands Act**

*The Sale or Lease of Certain Lands Act**

The Saskatchewan Farm Security Act

The Saskatchewan 4-H Foundation Act

The Soil Drifting Control Act

The Stray Animals Act

The Vegetable, Fruit and Honey Sales Act

The Veterinarians Act, 1987

The Veterinary Services Act

* Joint responsibility

APPENDIX E – Special Purpose Funds and Agencies with Legislative Responsibilities to Saskatchewan Agriculture as of March 31, 2008

	Year End
Special Purpose Funds (Financial Statements are tabled separately)	
Cattle Marketing Deductions Fund	March 31
Horned Cattle Fund	March 31
Livestock Services Revolving Fund	March 31
Pastures Revolving Fund	March 31
Individual Cattle Feeder Loan Guarantee Provincial Assurance Fund	March 31
Agencies (Annual Reports are published separately)	
Agricultural Credit Corporation of Saskatchewan	March 31
Thomson Meats Ltd.	March 31
Pension Plan for the Employees of Thomson Meats Ltd	March 31
Agricultural Implements Board	March 31
Agri-Food Council	March 31
Agri-Food Innovation Fund	March 31
Irrigation Crop Diversification Corporation (ICDC)	March 31
Milk Control Board	December 31
Prairie Agricultural Machinery Institute	March 31
Saskatchewan Agricultural Stabilization Fund	March 31
Saskatchewan Crop Insurance Corporation	March 31
Crop Reinsurance Fund of Saskatchewan	March 31

Agencies under the Agri-Food Council

Beef Development Board
Canaryseed Development Commission of Saskatchewan
Chicken Farmers of Saskatchewan
Saskatchewan Alfalfa Seed Producers Development Commission
Saskatchewan Beekeepers Development Commission
Saskatchewan Broiler Hatching Egg Producers' Marketing Board
Saskatchewan Canola Development Commission
Saskatchewan Egg Producers
Saskatchewan Flax Development Commission
Saskatchewan Forage Seed Development Commission
Saskatchewan Mustard Development Commission
Saskatchewan Oat Development Commission
Saskatchewan Pulse Growers
Saskatchewan Sheep Development Board
Saskatchewan Turkey Producers' Marketing Board
Saskatchewan Winter Cereals Development Commission
SaskPork

APPENDIX F - Third Party Funding

($000s)

Industry Assistance Grants

Wedge and Rollover Funding **6,963**

Funding was provided under the Canada-Saskatchewan Implementation Agreement of the Agriculture Policy Framework for research and innovation projects.

Meat Processing Strategy **4,259**

Encourages slaughter and processing capacity in Saskatchewan. The Meat Processing Investment Rebate Program offered a 15 per cent rebate on construction costs for federally registered new plant construction or expansion. The rebate also applied to costs associated with a change of status from provincially regulated to federally registered status, or a move from federally registered status to European Union status.

Other Industry Assistance Grants **5,472**

Provides financial assistance and compensation programs to support development, expansion and diversification of the agriculture industry.

Research and Technology Grants

Research and Development Grants **8,216**

Funding is provided through a number of mechanisms including the Agriculture Development Fund to support research and development. Areas of focus include, but are not limited to: improved food quality and safety, decreased agricultural production risk, increased livestock competitiveness and the development of proprietary technology and know-how in novel applications.

Strategic Research Programs **2,904**

Provides funding to cover the salaries of Research Scientist/Technician teams at the University of Saskatchewan and the Prairie Agricultural Machinery Institute. The program covers four broad research themes including crop genetic improvement, foods and bio-product development, soils/environment and livestock research.

Prairie Agricultural Machinery Institute **600**

Core funding is provided to the Prairie Agricultural Machinery Institute which contributes to their mandate of assisting the agriculture industry through applied research, development and testing. PAMI focuses on farm equipment design, bio-energy and processing as well as livestock production and economics through their relationship with the Western Beef Development Centre.

Ag-West Bio Inc. **900**

The Ministry contributes to Ag-West Bio Inc.'s focus on developing products derived from living organisms with market applications in agricultural, environmental, industrial, energy and bio-processing, and health and nutrition markets.

Accommodation Services **375**

The Ministry provides for accommodation for Prairie Diagnostic Services.

Development and Technology Transfer

Market Development and Food Value Chain **96**

The Ministry provides funding and core expertise to qualifying applicants for the purpose of promoting, developing and implementing value chains in Saskatchewan. Potential projects are evaluated according to criteria in four areas: project design, economic impact, applicant capabilities, and value chain development.

Miscellaneous Development and Technology Transfer Grants **41**

Farm Stability and Adaptation

AgriStability **115,798**

Provides the Provincial contributions to the AgriStability program (formerly the Canadian Agricultural Income Stabilization (CAIS) Program).

Crop Insurance **105,887**

Provides funding for the Saskatchewan Crop Insurance Corporation(SCIC) to administer insurance programs which protect grain and livestock producers from production failures due to natural hazards. SCIC also delivers programs which compensate producers for crop damage caused by big game and migratory waterfowl.

Lands Management

Lands Branch Taxation Grants **102**

Provides compensation to rural municipalities and Conservation and Development Authorities for tax levies on vacant patented Crown Land and for arrears owed on behalf of former Crown Land lessees.

Inspection and Regulatory Management

Miscellaneous Inspection and Regulatory Management Grants **180**

Total Third Party Funding **251,793**

APPENDIX G - Regulatory Amendments

The 2007-08 regulatory agenda included:

- *The Provincial Lands Amendment Regulations, 2007 (No. 2)* amended the Provincial Lands Regulations, being Saskatchewan Regulations 145/68 to streamline and clarify a number of administrative processes, repeal redundant or obsolete sections and increase flexibility regarding the tender sale of Crown land.

- *The Saskatchewan Flax Development Plan Amendment Regulations, 2007* amended *The Saskatchewan Flax Development Plan Regulations* to update them within the context of *The Agri-Food Act, 2004*.

- *The Individual Cattle Feeder Loan Guarantee Amendment Regulations, 2007* amended *The Individual Cattle Feeder Loan Guarantee Regulations* to allow non-traditional feeders into the program, allow options for the provincial supervisor to exempt the branding requirement and clarifies the lenders' position as a joint registrant of a brand; and will also allow for the .5 per cent assurance fund to be refundable and reusable and clarifies the required amount in the assurance fund prior to being eligible for reuse.

- *The Wildlife Damage Compensation Program Regulations* repeals *The Big Game Damage Compensation Program Regulations* and *The Waterfowl Damage Compensation Program Regulations* and combines the Waterfowl Damage Compensation Program and the Big Game Damage Compensation Program into the Wildlife Damage Compensation Program.

- *The Canada-Saskatchewan Specified Risk Material Management Program Amendment Regulations, 2007* amended *The Canada-Saskatchewan Specified Risk Material Management Program Regulations* to allow for: a transportation subsidy for rendered specified risk material (SRM) hauled out of province to licensed SRM disposal facilities; more than one interim program payment; easier access to program funding and to offset costs associated with disposal of rendered SRM out of province due to the lack of in-province facilities.

- *The Meat Processing Investment Rebate Program Amendment Regulations, 2007* amended *The Meat Processing Investment Rebate Program Regulations* in recognition that the processing industry in Saskatchewan has changed substantially since the border reopened to live cattle exports, and allows for the inclusion of proponents who are setting up meat processing businesses in existing facilities and are adapting them to their needs.

- *The Short-term Cattle Loan Program Regulations, 2008* provides loans to participants in the beef industry who have been affected by high input costs and low returns.

- *The Short-term Hog Loan Regulations, 2008* provides a term loan to slaughter and weanling hog producers based on hogs sold from October 1, 2007 to May 2, 2008.